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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 000408

SIPDIS

STATE FOR SA/INS LONDON FOR POL - RIEDEL

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TAGS: PTER PGOV NP
SUBJECT: NEPAL: MAOISTS STEP UP PRE-TALK DEMANDS,
COMPLAINTS AGAINST GOVERNMENT

REF: (A) KATHMANDU 0312

Classified By: AMB. MICHAEL E. MALINOWSKI. REASON: 1.5 (B,D).

SUMMARY

11. (C) The declaration of a ceasefire between the Government of Nepal (GON) and Maoist insurgents on January 29 has led to little discernible progress toward actual peace negotiations thus far. Neither side has committed to a code of conduct governing the truce, the GON has not yet named its negotiating team, and neither a date nor a venue for talks has been agreed upon. The Maoists are exploiting the apparent lack of movement to complain about the GON's failure to meet their ever-burgeoning list of demands, while continuing to send out feelers to the mainstream political parties and, more recently, selected embassies. The Palace's continued delay in enlisting the support of the political parties has left the GON ill equipped to counter the Maoists' two-pronged charm offensive, relying instead on the able--but by no means infallible--Narayan Singh Pun, Minister for Physical Works, as its public face on the peace process. End summary.

MAOIST LIST OF DEMANDS, ANTI-GON COMPLAINTS LENGTHENS

- 12. (SBU) As the ceasefire between the Government of Nepal (GON) and the Maoists enters its fifth week, there have been no indications that the two sides are substantially closer to agreeing to a timetable or agenda for negotiations than when the truce was first announced. Neither side has yet committed to a code of conduct governing offensive and defensive actions during the ceasefire, despite the plethora of draft codes being churned out by assorted human rights groups, including the National Human Rights Commission, on almost a daily basis. Other than Narayan Singh Pun, Minister of Physical Planning, the GON has not yet appointed any other negotiators to its team, although it has announced the formation of a blue-ribbon panel, including a former Army Chief and former Chief of Police, to advise the team once talks begin.
- 13. (SBU) The Maoists, meanwhile, appear to be intensifying their anti-GON propaganda, using the mainstream media to publicize an ever-growing list of new pre-conditions (including the repeal of anti-terrorism legislation passed in the previous Parliament; the release of all Maoist detainees; and the recall of the Royal Nepal Army to barracks) that they then castigate the GON for having failed to meet. The insurgents have begun flagging such "failures" in their public statements as possible reasons the ceasefire may eventually break down. For example, in an interview published February 28 in a leading vernacular daily, Maoist negotiator Krishna Mahara blamed the post-ceasefire arrests of several Maoist cadre for making the Maoists "less assured" about the future of peace talks. One day later, the Kathmandu Post, the largest-circulation English daily, reported Mahara and fellow Maoist spokesman Dinanath Sharma as citing the GON's "unnecessary delay" in naming members of its negotiating team as evidence that it is "neglecting the truce." Ratcheting up the volume one notch higher, Maoist negotiator Mahara was quoted in the mainstream press yet again on March 5 as warning that the insurgents might pull out of peace talks completely unless the GON orders the Army confined to barracks.
- 14. (C) The GON, however, is unlikely to issue such a redeployment order. In the absence of a code of conduct, many commanders have ordered their troops to apprehend Maoists observed openly carrying arms. Brig. Gen. Gaurav Rana, commander of the 5th Brigade in the far-western region, told us he has given his soldiers standing orders to make such arrests. Soldiers under his command arrested 14 armed Maoists at a public meeting in Kanchanpur District and clashed with armed Maoists in Bajhang District, killing two, at the end of February. Since then, he noted, sightings of armed Maoists in his AOR have declined markedly.

MAOISTS MEETINGS

- (SBU) The Maoists are also continuing efforts to reach out to the mainstream political parties, both in Kathmandu and in remote rural districts (Reftel). The parties obviously are flattered by the attention and seeming respect accorded them--especially when they feel themselves ignored and slighted by the Palace. Party leaders rush to report the meetings, complete with Maoist party line, to the local media, thereby ensuring the insurgents free, sometimes sympathetic front-page coverage. For example, mainstream dailies on March 4 carried a Nepali Congress Central Committee member's account of one such meeting, including verbatim Maoist complaints of the GON "not fulfilling its part for peaceful dialogue," coupled with the disingenuous claim that the Maoists are committed to safeguarding democracy.
- 16. (C) Along with the charm offensive targeting political parties, the Maoists are sending out feelers to certain diplomatic missions in Kathmandu. The Danish DCM told our DCM that his mission, along with such others as the Swiss and Norwegians, had recently received a back-channel request for a meeting with unidentified Maoist representatives. Danish DCM said that no such meeting had yet been agreed to or scheduled, although he indicated the request was under active review. He undertook to advise us of any further developments.

PALACE PUTS STOCK IN PUN

(C) The Maoist pitch to the parties may be receiving a comparatively sympathetic reception in part because the Palace persists in neglecting them. Pashupati Rana, General Secretary of the National Democratic Party (which is

generally perceived as closest to the Palace), told the ${\tt DCM}$ that he believes King Gyanendra is unrealistically confident that the current discussions will lead, eventually, to a stable peace. Rana said that the King, who has had little previous experience with this kind of political dialogue, may be over-estimating prospects for peace and may thus (mistakenly) be in no hurry to cultivate the parties Rana's view, the King may be putting too much faith in the abilities of Minister Pun, whose political acumen for this particular task Rana doubts. (Rana himself has not met with the King since the declaration of the ceasefire.) A prominent banker who had known the King well during his days as Nepal's leading businessman noted a naivete about certain topics--unexpected in someone with a reputation as a savvy entrepreneur--that he suspects may be coloring the monarch's interpretation of Maoist motives and his expectations for successful dialogue.

Former colleagues of Pun from the Nepali Congress Party like Ram Sharan Mahat, a former finance and foreign minister, and C.P. Bastola, a former foreign minister and negotiator in the last round of talks, echo some of Rana's reservations about whether Pun has the political canniness to deal with the cagey and manipulative Maoists. (Note: Mahat and Bastola may have their own partisan reasons to criticize Pun, who left the Nepali Congress to form his own party, as well. End note.) Critics of the GON's reliance on Pun as sole point-man note that the GON ceded much to gain the ceasefire, including the withdrawal of its designation of the Maoists as terrorists, without obtaining commensurate concessions from the Maoists. Even the Maoists' purported commitment to drop their objection to the constitutional monarchy appears to be more illusory than actual. According to the Indian Ambassador, Pun has admitted that he has been unsuccessful in obtaining the written renunciation of such anti-monarchical aims from Maoist leader Prachanda that Pun had claimed to have in hand before announcement of the ceasefire. Since Pun had indicated that the King made Maoist acceptance of the constitutional monarchy a pre-condition to talks, the admission that the GON has no such commitment has deepened the Indian Ambassador's already pessimistic view of prospects for productive dialogue.

COMMENT

Many observers remain suspicious about the Maoists' true intentions in agreeing to the ceasefire, fearing they may use the moratorium to resupply, regroup, and recruit, may use the Moratorium to resupply, regroup, and recruit, rather than to seek a peaceful, negotiated settlement. The Maoists' front-page grousing about the GON's failure to fulfill an ever-shifting list of unrealistic demands mirrors their behavior during the previous abortive round of talks in late 2001, and could indicate that they are laying the groundwork for an evenual walk-out. Before such an event takes place, however, we expect the Maoists will send ample warning--most likely through surrogate mouthpieces in far-left political and human rights organizations--claiming the futility of further dialogue for spurious reasons. Pun seems a relatively good choice as lead GON interlocutor with the Maoists for a number of reasons. He appears genuinely committed to working for the national good and lacks the narrow partisanship that poisons so much of Nepal's domestic political discourse. As a former Army officer, he is more likely to be trusted as an honest broker by the security forces and the Palace. At the same time, as a Magar tribal from the remote northwestern district of Myagdi, he shares the same ethnicity and a similar background as many Maoist foot-soldiers. That said, his lack of experience as a negotiator raises legitimate questions regarding his ability to see through Maoist chicanery. We continue to be concerned by the Palace's delay in more effectively enlisting the parties' support. However well-intentioned Pun may be, his efforts are unlikely to succeed as long as the parties feel they are being purposely excluded—a point the Maoists, in their continuing outreach to mainstream political leaders--seem to appreciate fully. MALINOWSKI